

## **Press release**

Paris, 24 May 2017

### **Earnings deliver a profit for FY 2016-17**

- Real estate portfolio valued at €306.0 million (excluding duties)
- Gross rental income: €8.4 million
- Consolidated net profit: +€21.2 million
- Shareholders' equity: €26.5 million
- NAV per share (diluted): €1.49

### **New leases signed, vacancy rate cut**

Since 1 April 2016, Officiis Properties (previously Züblin Immobilière France) and its subsidiaries have signed eight new leases for the Newtime and Imagine buildings, representing a combined total of 5,372 sq.m and €2.6 million of gross rent. Alongside this, the lease with the City of Marseille, which occupies the entire Salengro building, was renewed in December 2016 for 10 years.

At 31 March 2017, the occupancy rate was 72%, up 18% from 31 March 2016 (61%).

Excluding the Think building, which is undergoing major renovation work, the occupancy rate for the operational portfolio came to 84% at 31 March 2017.

### **Rental income and portfolio value growth**

At 31 March 2017, the independent appraiser JLL estimated the overall portfolio's rental market value at €18.7 million, with a value including transfer duties of €314 million and a yield of 5.9%. JLL estimates the value excluding duties at €306.0 million, up €44.1 million from 31 March 2016.

Gross rental income for FY 2016-17 climbed to €8.4 million, compared with €6.5 the previous year. This increase by around 30% reflects the improvement in the portfolio's occupancy rate.

### **Operating and financial costs down**

Operating costs totalled €2.5 million at 31 March 2017, significantly lower than the previous year, which had been affected by non-recurring costs linked to the Company's shareholder and financial restructuring on 31 July 2015.

Net financial expenses came to €19.0 million for FY 2016-17, compared with €19.3 million for FY 2015-16. Interest expenses are down €1.5 million (€19.0 million for FY 2016-17, versus €20.4 million the previous year).

## **Growth in shareholders' equity, while building a sustainable financial position**

The maturity of the non-bank loan granted by the company TwentyTwo Credit 1, S.à.r.l, which was scheduled for 31 December 2016, has been aligned with the bank loans maturing on 31 July 2020.

Alongside this, the company REOF Holding S.à.r.l, which holds 50.1% of the Company's capital, has granted a €9.5 million shareholder advance to the Company, including €6 million to finance the renovation work underway on the Think building. The terms and conditions for this advance are identical to the new terms and conditions of the non-bank loan from TwentyTwo Credit 1, particularly its maturity (31 July 2020) and interest rate (14%).

The Company and its subsidiary Officiis Properties Paris Ouest 1 (previously Züblin Immobilière Paris Ouest 1) have signed an amendment to the mortgage agreement with the bank Helaba to increase the credit line for financing the Think building's renovation work from €6 million to €12 million.

At 31 March 2017, mortgage borrowing, net of cash and cash reserves, represented 40.3% of the net value of the Company's portfolio.

Total consolidated debt (including non-bank loans and convertible bonds) is still very high, representing 91% of the Company's net portfolio value at 31 March 2017 (versus 96% at 31 March 2016).

The Company's consolidated shareholders' equity represented €26.5 million at 31 March 2017 (€4.3 million at 31 March 2016).

The Company's diluted net asset value per share has doubled, up from €0.73 at 31 March 2016 to €1.49 at 31 March 2017. On a non-diluted basis, it is negative (-€0.34).

The Company's statutory shareholders' equity is still negative.

## **Outlook**

In a more positive market environment, the Company, with assistance from the teams at Scaprim Asset Management, will continue rolling out its active asset management approach for its properties in FY 2017-18. In line with this approach, the Company has decided to sell the Salengro building.

From a financial perspective, FY 2017-18 will continue to be affected by financial vacancies and the rental discounts granted to new tenants.

**Key figures for FY 2016-17**

| <i>In € million</i>  | <b>31.03.2017</b>     | <b>31.03.2016</b>     |
|--|-----------------------|-----------------------|
| <b>Profit and loss statement</b>   |                       |                       |
| Net rental income  | 5.9                   | 1.8                   |
| Operating costs  | (2.5)                 | (4.1)                 |
| Income from disposal of investment property                                      | 0.0                   | 0.0                   |
| Asset valuation adjustment   | 36.7                  | 7.9                   |
| Net operating income   | 40.1                  | 5,6                   |
| Financial income   | 0.0                   | 0.0                   |
| Net income from financial liabilities at fair value through comprehensive income | 0.0                   | 1.0                   |
| Interest expenses  | (19.0)                | (20.4)                |
| Consolidated net income  | 21.2                  | (13.7)                |
| <br><i>In € million</i>  | <br><b>31.03.2017</b> | <br><b>31.03.2016</b> |
| <b>Balance sheet</b>   |                       |                       |
| Investment properties  | 288.6                 | 261.9                 |
| Properties held for sale   | 17.4                  | 0.0                   |
| Other assets   | 12.5                  | 15.0                  |
| Total assets   | 318.5                 | 276.9                 |
| Shareholders' equity   | 26.5                  | 4.3                   |
| Non-current liabilities  | 274.8                 | 156.6                 |
| Current liabilities  | 17.1                  | 116.0                 |
| Total liabilities  | 318.5                 | 276.9                 |
| <br><b>Key figures per share</b>   | <br><b>31.03.2017</b> | <br><b>31.03.2016</b> |
| Liquidation NAV (diluted basis)  | 1.49 €                | 0.73 €                |
| Operating cash-flow (diluted basis)  | (0.42) €              | (0.79) €              |

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For more information, visit the company website: <https://officiis-properties.com>

## **About Officiis Properties**

Officiis Properties (previously Züblin Immobilière France) is a listed property company that has opted for SIIC status and invests in office properties. Its real estate portfolio consists of five office buildings in the Paris region and Marseille.

Officiis Properties shares are listed on Euronext Paris Compartment C, an NYSE Euronext market - ISIN: FR0010298901